

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 8/25/17

SECURITIES AND EXCHANGE COMMISSION,

17 Civ. 3054 (VEC)

Plaintiff,

ECF CASE

- against -

WENSHENG LIN and
SHENG LI CHEN,

Defendants.

**AMENDED FINAL JUDGMENT AS TO DEFENDANTS
WENSHENG LIN AND SHENG LI CHEN**

The Securities and Exchange Commission (the “Commission”) having filed a Complaint and Defendants Wensheng Lin (“Lin”) and Sheng Li Chen (“Chen”) having failed to answer the Complaint or otherwise respond in a timely manner; and the Clerk of the Court having entered a Certificate of Default as to each Defendant; and a Final Judgment against Defendants having been entered on August 18, 2017; and it appearing that an Amended Final Judgment against Defendants should enter:

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants Lin and Chen are permanently restrained and enjoined from violating Sections 5(a) and 5(c) of the Securities Act of 1933 [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Unless a registration statement is in effect as to a security, making use of any means or instruments of transportation or communication in interstate commerce

or of the mails to sell such security through the use or medium of any prospectus or otherwise;

* * *

- (c) Making use of any means or instruments of transportation or communication in interstate commerce or of the mails to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed with the Commission as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Amended Final Judgment by personal service or otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendants or with anyone described in (a).

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants Lin and Chen are permanently barred from participating in an offering of penny stock, including engaging in activities with a broker, dealer, or issuer for purposes of issuing, trading, or inducing or attempting to induce the purchase or sale of any penny stock. A penny stock is any equity security that has a price of less than five dollars, except as provided in Rule 3a51-1 under the Securities Exchange Act of 1934 [17 C.F.R. 240.3a51-1].

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Lin is liable for disgorgement of \$1,220,649.56, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$3,449.54, and that Defendant Chen is liable for disgorgement of \$582,728.79, representing profits gained as a result of the conduct alleged in the Complaint, together with prejudgment interest thereon in the amount of \$942.26. Lin is also liable for a civil penalty in the amount of \$1,000,000 and Chen is also liable for a civil penalty in the amount of \$500,000 pursuant to Section 20(d) of the Securities Act of 1933 [15 U.S.C. § 77t(d)]. Defendants shall satisfy these obligations by paying these amounts to the Securities and Exchange Commission within 14 days after entry of this Amended Final Judgment.

Defendants may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request. Payment may also be made directly from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>. Defendants may also pay by certified check, bank cashier's check, or United States postal money order payable to the Securities and Exchange Commission, which shall be delivered or mailed to

Enterprise Services Center
Accounts Receivable Branch
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

and shall be accompanied by a letter identifying the case title, civil action number, and name of this Court; identifying Lin and Chen as Defendants in this action; and specifying that payment is made pursuant to this Amended Final Judgment.

Defendants shall simultaneously transmit photocopies of evidence of payment and case identifying information to the Commission's counsel in this action. By making this payment, Defendants relinquish all legal and equitable right, title, and interest in such funds and no part of the funds shall be returned to Defendants. The Commission shall send the funds paid pursuant to this Amended Final Judgment to the United States Treasury.

Glendale Securities, Inc. is hereby directed to turn over to the Commission all cash assets in Lin's brokerage account ending in -22WNSL and Primary Capital, LLC is hereby directed to turn over to the Commission all cash assets in Chen's brokerage account ending in -0755. Defendants will be given credit for such payments in partial satisfaction of the disgorgement hereby ordered. Glendale Securities, Inc. and Primary Capital, LLC should make such payments to the Commission pursuant to the payment directives set forth in the above two paragraphs.

The Commission may enforce the Court's judgment for disgorgement, prejudgment interest and penalty by moving for civil contempt (and/or through other collection procedures authorized by law) at any time after 14 days following entry of this Amended Final Judgment. Defendants shall pay post judgment interest on any delinquent amounts pursuant to 28 U.S.C. § 1961.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Defendants, and any entities that are deemed their alter ego, under this Amended Final Judgment or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Defendants of the federal securities laws or any

regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Amended Final Judgment.

VI.

There being no just reason for delay the Clerk is ordered to enter this Amended Final Judgment forthwith and without further notice.

Dated: August 25, 2017



VALERIE E. CAPRONI
UNITED STATES DISTRICT JUDGE